



24 CFR parts 5 and 200

[Docket No. FR-6160-N-03]

Notice of Modification to the Demonstration to Assess the National Standards for the Physical Inspection of Real Estate and Associated Protocols

AGENCY: Office of the Assistant Secretary for Housing; Office of the Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development (HUD).

ACTION: Demonstration modification.

SUMMARY: Through this notification, HUD announces changes to the Demonstration to Assess the National Standards for the Physical Inspection of Real Estate and Associated Protocols (NSPIRE). This demonstration allows HUD to test the NSPIRE standards and protocols as the means for assessing the physical conditions of HUD-assisted and HUD-insured housing. Through this notification, HUD is informing Demonstration participants who are subject to HUD's Multifamily Housing program that Demonstration participants will receive an inspection of record through the NSPIRE demonstration unless they opt out of the demonstration, in which case they will receive an inspection of record through the Uniform Physical Condition Standards (UPCS). HUD is also revising this demonstration so that the demonstration ends on the effective date of the NSPIRE final rule.

DATES: This demonstration modification is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Marcel M. Jemio, Real Estate Assessment Center, Office of Public and Indian Housing, Department of Housing and Urban Development, 550 12th Street SW, Suite 100, Washington, DC 20410-4000, telephone number 202-708-1112 (this is not a toll-free number) or via email to NSPIRE-Demo-Opt-Out@hud.gov. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as

well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit:

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: On August 21, 2019 (84 FR 43536), the U.S. Department of Housing and Urban Development published a document implementing the “Demonstration To Assess the National Standards for the Physical Inspection of Real Estate and Associated Protocols.” (“the 2019 document”). Through this demonstration, HUD is collecting, processing, and evaluating physical inspection data and information, and is improving and refining the NSPIRE model. On September 28, 2021 (86 FR 53570), HUD extended this demonstration through October 1, 2021.

During this demonstration, participants have not received an inspection of record, meaning the result of the inspection is provisional and does not result in a traditional score that is recorded in Multifamily Housing’s system of record, the Integrated Real Estate Management System (iREMS). Because the demonstration has been running since 2019, demonstration participants have not received an inspection of record for several years, longer than HUD intended when HUD initially established the demonstration. Therefore, HUD seeks to prioritize providing demonstration participants an inspection of record. Through this notification, HUD is informing Multifamily Housing program participants who are currently in this demonstration and have yet to receive an inspection of record since joining the demonstration that between April 1, 2023, and September 30, 2023, HUD intends to conduct an inspection using the NSPIRE standards and scoring and that this inspection will be considered an inspection of record.

Demonstration participants who do not wish to be subject to an NSPIRE inspection of record before October 1, 2023, may choose to opt out of the NSPIRE demonstration by submitting a request via email to NSPIRE-Demo-Opt-Out@hud.gov no later than March 1, 2023. Demonstration participants who opt out of the demonstration will be subject to a UPCS inspection of record.

Additionally, through this notification, HUD is revising the end of this demonstration to align with the NSPIRE final rule. The demonstration will end for Public Housing participants on June 30, 2023, the day before HUD intends to begin inspections under NSPIRE for Public Housing, and the demonstration will end for Multifamily Housing participants on September 30, 2023, one day before the day HUD intends the NSPIRE final rule to take effect for Multifamily Housing. HUD will provide additional notice through Federal Register notice should these dates change.

This Notification provides operating instructions and procedures in connection with activities under a Federal Register document that has previously been subject to a required environmental review. Accordingly, under 24 CFR 50.19(c)(4), this Notification is categorically excluded from environmental review under the National Environmental Policy Act (42 U.S.C. 4321, *et seq.*)

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General Deputy Assistant Secretary for Public
and Indian Housing.

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